

COUNTRY PROFILE: SOUTH KOREA

January 2005

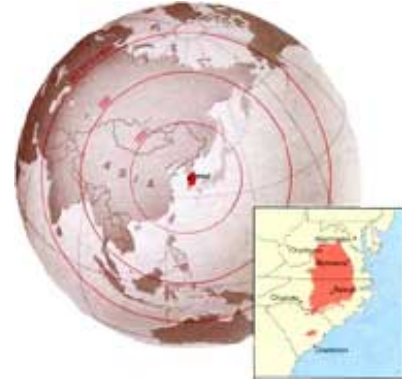
Formal Name: Republic of Korea (Taehan-min'guk).

Short Form: South Korea (Han'guk, the term South Koreans use to refer to their country).

Term for Citizen(s): Korean(s).

Capital: Seoul.

Major Cities: The largest cities are Seoul (11 million), Pusan (3.9 million), Taegu (2.5 million), Inch'ön (2.4 million), Kwangju (1.4 million), and Taejŏn (1.3 million).



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Independence: August 15, 1948, from Japanese occupation.

Public Holidays: New Year's Day (January 1), Lunar New Year (movable date in January or February), Independence Movement Day (March 1), Arbor Day (April 5), Children's Day (May 5), Birth of Buddha (movable date in April or May), Memorial Day (June 6), Constitution Day (July 6), Liberation Day (August 15), Ch'usŏk (an autumnal harvest festival and day of thanksgiving, movable date in September or October), National Foundation Day (October 3), and Christmas Day (December 25).

Flag:

A white rectangle with a red (top) and blue T'aeguk (Great Absolute) symbol in the center. In each corner of the flag is a different black *kua* (or trigram) from the *I Ching* (Book of Changes). Clockwise from the upper left they read: sky, water (moon), earth, and fire (sun).



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HISTORICAL BACKGROUND

Early History: The Korean people share a common heritage in spite of the modern-day split between North and South Korea. Human habitation of the Korean Peninsula dates back 500,000 years. Excavations have found pottery and stone tools from Neolithic-age settlements circa 4000 B.C. and evidence that by 2000 B.C. a pottery culture had spread to the peninsula from China. Starting in about 1100 B.C., migration from China into the Korean Peninsula established the city of P'yŏngyang. In 108 B.C. the Chinese Han dynasty established commanderies in the north of the Korean Peninsula, the last of which, in Lolang, was destroyed in A.D. 313. By the first century A.D., the roots of the modern Korean state were in place.

Three Kingdoms: The history of the Korean state up to the first decade of the twentieth century is the story of three kingdoms: the Silla, the Koryŏ, and the Chosŏn. The Korean peninsula was first unified under the Kingdom of Silla in A.D. 668. In 918 the kingdom of Koryŏ was established, and shortly thereafter, in 935, the last Silla king surrendered, re-unifying Korea. A Mongol invasion in the thirteenth century precipitated Korean participation in Mongol invasions of Japan in 1274 and 1281. After forces of the Ming dynasty (1368–1644) defeated the Mongols, the Koryŏ court split into pro-Mongol and pro-Ming factions. The year 1392 saw the establishment of what became known as the Chosŏn (“Land of the Morning Calm”) dynasty. This succession of 27 kings from the Yi clan ruled Korea until 1910.

Chosŏn Dynasty: During the reign of the fourth monarch of the Chosŏn dynasty, King Sejong (1418–50), Korean script, or *han’gŭl*, was developed. In spite of this and other advances, the Chosŏn dynasty was subject to periods of instability from both internal and external forces. Japanese attacks in 1592 and 1597, followed by Manchu assaults in 1627 and 1636, destroyed farmland, led to economic strife, and generally left the country in disarray. In the wake of this widespread social instability, a group of Korean scholars developed a school of thought known as *Sirhak*, or “practical learning.” A multifaceted movement, it encompassed diverse ideas including proposals for a variety of social and institutional reforms. Throughout this period, the “Hermit Kingdom” was largely secluded from contact with foreign nations. This isolation changed dramatically in 1876 when a Japanese naval expedition forced Korea to sign a treaty opening Korean ports to Japanese trade and providing Japanese nationals extraterritorial rights. In an effort to counter Japanese influence, treaties with the United States, Britain, Italy, and Russia followed within a decade. The Korean court succumbed to factionalism, with rival pro-Chinese, pro-Japanese, and pro-Russian groups vying for power, reflecting the struggle of those three nations for dominance and influence in East Asia.

In the late nineteenth century, domestic dissatisfaction coupled with the rise of an indigenous Korean religious movement (Ch’ŏndogyo) resulted in the Tonghak Rebellion. Korea, faced with a rebellion that threatened Seoul, asked China for military assistance. This request provided a pretext for Japan’s intervention, and the result was the Sino-Japanese War of 1894–95. Japan’s victory against China was followed a decade later by a victory against the Russian armed forces in the Russo-Japanese War of 1904–05. Japanese dominance of Korea was further cemented by the Taft-Katsura Agreement, in which the United States acknowledged Japanese authority in Korea in exchange for Japanese acquiescence to U.S. authority in the Philippines. Two months later, in November 1905, Korea was forced to become a protectorate, handing over foreign affairs and defense to Japan. Japan annexed Korea as a colony on August 22, 1910.

Japanese Occupation: The first three decades of Japanese occupation alternated between cycles of strict repression and periods of relative openness. In the first decade of occupation, Koreans were not allowed to publish newspapers or form political groups. Korean resentment of such treatment led in the spring of 1919 to a series of protests that became known as the March First Independence Movement. The colonial authorities responded with violence, killing an estimated 7,000 Koreans. In the aftermath of the protest movement, Japanese colonial policy underwent a period of liberalization, and a new “cultural policy” allowed Koreans to publish newspapers, organize labor unions, and partake in limited freedom of expression. These reforms came to a halt in the 1930s when Japan’s military leaders made Korea a staging ground for the second

Sino-Japanese War (1937–45), and later World War II. Koreans were conscripted as laborers and later soldiers in the Japanese Imperial Army, and a period of unprecedented repression followed. Japan established assimilation policies forbidding use of the Korean language, shut down Korean-language newspapers, and built Shinto shrines throughout the country. Koreans were encouraged to take Japanese names, acknowledge the divinity of the emperor, and otherwise deny their own long and rich heritage. The “36 years” of occupation, as they came to be known, remain an obstacle in Korean-Japanese relations, and the subject of Korean collaboration with the occupying Japanese forces remains extremely sensitive.

Divided Nation and the Korean War: While Allied leaders discussed the fate of Korea during World War II at Cairo and Yalta, they reached no conclusion about its postwar status beyond deciding that it should be allowed to gain freedom and independence in due course, and that an international trusteeship—vehemently opposed by most Koreans—might be necessary to facilitate such a transition. At the war’s end, the Korean peninsula, while liberated from Japan, was once again occupied by foreign forces. On August 15, 1945, President Harry S. Truman proposed to Joseph V. Stalin the division of the peninsula at the thirty-eighth parallel, with the Soviets assuming authority over the northern half and the United States over the southern half. A day later, Stalin accepted.

Japan’s colonial authority was replaced by the division of the Cold War, a division that would last far longer than the hated Japanese occupation. In the first years after the division, the communists built a formidable political and military structure in North Korea under the aegis of the Soviet command. In 1948 the Republic of Korea (ROK, or South Korea) was established in the South; three weeks later, the Democratic People’s Republic of Korea (DPRK, or North Korea) was established in the North. This uneasy division erupted in conflict on June 25, 1950, when the North Koreans, under the leadership of Kim Il Sung, sent troops across the thirty-eighth parallel. The North Korean forces, larger and better equipped than their South Korean counterparts, advanced quickly, overtaking Seoul in three days. By early August, South Korean forces were confined in the southeastern corner of the peninsula to a territory 140 kilometers long and 90 kilometers wide. The rest of the territory was completely in the hands of the North Korean army. The United States, fearing that inaction in Korea would be interpreted as appeasement of communist aggression elsewhere in the world, was determined that South Korea should not be overwhelmed and asked the United Nations (UN) Security Council to intervene.

When Douglas MacArthur, the commanding general of the UN forces in Korea, launched his amphibious attack and landed at Inch’ön on September 15, 1950, the course of the war changed abruptly. Within weeks, much of North Korea had been taken by United States and South Korean forces before China’s military entered the war in October, eventually enabling North Korea to restore its authority over its domain. The fighting lasted until July 27, 1953, when a cease-fire agreement was signed at P’anmunjŏm. The war left indelible marks on the Korean Peninsula and the world surrounding it. The entire peninsula was reduced to rubble; casualties on both sides were enormous. The chances for peaceful unification had been remote even before 1950, but the war dashed all such hopes.

Postwar South Korea: In 1952 Syngman Rhee, who had assumed the presidency of South Korea in 1948 after election by the National Assembly, was elected president by popular vote.

Rhee's presidency was characterized by efforts to cling to power, and the 1950s were a time of economic and social hardship in South Korea. Rhee's increasingly corrupt efforts to remain in office reached their nadir in the 1960 elections. The obvious malfeasance at work in that vote led to widespread protest, known today as the April 19 Student Revolution. Rhee was forced, at last, to step down. In the interim until new elections, political instability and the absence of a clear successor to Rhee, among other factors, laid the foundations for the military coup that followed. In 1961 a group of military officers loyal to Major General Park Chung Hee carried out a coup d'état. The years between 1961 and 1987 were characterized by increasing domestic political repression and power struggles, including the assassination of President Park in 1979 by the chief of the South Korean Central Intelligence Agency. Political leadership during this time was almost exclusively in the hands of the military and former military leaders. At the same time, by the 1970s the South Korean economy was experiencing a period of unprecedented growth. Although democratic growth was constrained, standards of living rose.

Rising prosperity did not quell democratic aspirations, however, and by the 1980s student protests against the prevailing regime had become endemic. These demonstrations gained a widespread following, and, bowing to pressure, the government held elections in 1987. These were the first free elections in 16 years. In the following election, in 1992, South Koreans voted into office Kim Young-sam, the nation's first nonmilitary chief executive in 30 years. The 1990s and early years of the twenty-first century were a time of political stability, with a peaceful, democratic transition of power taking place. In 1997 Kim Dae-jung was elected president, followed by Roh Moo-hyun in 2002. Paradoxically, the South Korean economy in the late 1990s underwent a period of instability, from which it had still not recovered entirely in 2004.

GEOGRAPHY

Location: The Republic of Korea occupies the southern half of the Korean Peninsula on the northeastern corner of the Asian continent. North Korea lies to the north, and Japan is located to the southeast, across the Korea Strait.

Size: South Korea occupies nearly 45 percent of the land area of the Korean Peninsula, or 98,190 square kilometers of land area and 290 square kilometers of water area.

Land Boundaries: South Korea has a 238-kilometer border with North Korea. A 4-kilometer-wide Demilitarized Zone (DMZ) runs the length of it.

Disputed Territory: A long-standing dispute with Japan continues concerning which nation exercises sovereignty over a group of islands located off the eastern coast of South Korea. The South Korean government refers to these islands as Dokdo, but other sources refer to them variously as the Liancourt Rocks, the Hornet Rocks, or Takeshima (the name the Japanese colonial government used).



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Length of Coastline: The total coastline measures 2,413 kilometers. To the west it borders the Yellow Sea (sometimes referred to as the West Sea), to the east the Sea of Japan (which Koreans prefer to call the East Sea), and to the south the Korea Strait.

Maritime Claims: South Korea claims an exclusive economic zone of 200 nautical miles and a 12-nautical-mile territorial sea.

Topography: Approximately 70 percent of the land area of South Korea is composed of mountains and hills. Low hills in the south and west lead to increasingly higher mountains in the north and east. The T'aebaek ("Spine of Korea") range runs north-to-south along the east coast, while the other major range, the Sobaek in the southwest of the country, runs northeast-to-southwest. The highest mountain is Mount Hallasan, a volcanic cone located on Cheju Island off the southeastern coast of the peninsula, at 1,950 meters above sea level.

Principal Rivers: South Korea's longest river is the Nakdonggang (the suffix *-gang* means river in Korean), which is 525 kilometers long. The Hangang, which runs through Seoul, is 514 kilometers long, and the Kumgang is 401 kilometers long. These rivers are navigable, and they played a major role in the development of port cities like Seoul. Roughly 70 percent of all rice fields in South Korea depend on rivers for irrigation.

Climate: The weather in South Korea is characterized by long, cold, dry winters and short, hot, humid summers that can bring late monsoon rains and flooding. Seoul's January mean temperature is -3.5° C. July in Seoul averages 25° C. Cheju Island has warmer and milder weather than other parts of South Korea. Annual rainfall varies from year to year but usually averages more than 1,000 millimeters; two-thirds of precipitation falls between June and September. Droughts, particularly in the southwest, occur approximately once every eight years.

Natural Resources: South Korea possesses few mineral resources. There are small deposits of anthracite coal, uranium, tungsten, iron ore, limestone, kaolinite, and graphite. There is also hydropower potential.

Land Use: In 2001 about 17 percent of South Korea's land was classified as arable, and some 2 percent was planted to permanent crops. The remainder was classified as "other."

Environmental Factors: With 8.4 tons of carbon dioxide emissions per capita, air pollution is a serious concern, particularly in major cities, since more than 80 percent of all South Koreans live in urban areas. Although far behind first-place China, South Korea's much smaller population is the second largest consumer of ozone-depleting chlorofluorocarbons. City sewer systems are overtaxed. Other issues include water pollution from sewer discharge and industrial effluents, acid rain, drift net fishing, and wasteful packaging of consumer goods. Transboundary pollution concerns spurred the creation of a joint commission among South Korea, Japan, and China to address environmental problems.

Time Zone: South Korea has one time zone. It is nine hours ahead of Greenwich Mean Time.

SOCIETY

Population: In July 2004, South Korea's population was estimated to be 48,598,175. The official growth rate estimate is 0.6 percent, and this rate is expected to decline to zero by 2028. In the twentieth century, there has been significant emigration to China (1.9 million) and the United States (1.5 million), and about 1 million Koreans live in Japan and the countries of the former Soviet Union. More than 80 percent of all South Koreans live in urban areas. Population density is very high, with approximately 480 persons per square kilometer.

Demography: South Korea's age structure has changed significantly since the 1950s, driven largely by falling birthrates and rising life expectancies. According to a 2004 estimate, 20.4 percent of the population is less than 15 years of age, 71.4 percent is 15–64, and 8.2 percent of the population is aged 65 or older. By 2030 it is expected that more than 20 percent of the population will be 65 or older.

In the population, men slightly outnumber women, with 101 males for every 100 females. The social preference for male children, while less pronounced than in the past, remains. The widening disparity between the birthrates of males and females has occasioned expressions of concern from the South Korean government. The fertility rate is 1.6 children born for every woman, the birthrate is 12.3 births per 1,000, the death rate is 6.1 deaths per 1,000, and the infant mortality rate is 7.2 deaths per 1,000. In 2004 overall life expectancy was 75.6 years: 71.9 years for men and 79.5 years for women.

Ethnic Groups: With the exception of a very small minority of ethnic Chinese (about 20,000), the Korean population is homogeneous.

Language: Korean is the national language. Written Korean uses *han'g ŭl*, the Korean alphabet, often in conjunction with Chinese characters. English is also widely taught in junior and high schools.

Religion: Just more than 50 percent of Koreans profess religious affiliation. That affiliation is spread among a great variety of traditions, including Buddhism (25 percent), Christianity (25 percent), Confucianism (2 percent), and shamanism. These numbers should be treated with some caution, however, as (with the exception of Christianity) there are few if any meaningful distinctions between believers and nonbelievers in Buddhism and Confucianism. The cultural impact of these movements is far more widespread than the number of formal adherents suggests. A variety of "new religions" have emerged since the mid-nineteenth century, including Ch'öndogyo. A very small Muslim minority also exists.

Education and Literacy: Korean society historically has prized learning and the well educated, yet education was not widely available to all until after the Korean War. As late as 1945, less than 20 percent of Koreans had received formal education of any kind. The modern education system is based on a 1968 charter that identifies education as an important aspect of citizenship and defines the government's role in providing all Korean children with access to education. South Korea has compulsory education through the ninth grade, with 95 percent of school-age children attending high school. Approximately 25 percent of all high-school students attend one

of 350 public and private postsecondary institutions, the most prestigious of which are Seoul National, Yonsei, Koryo, and Ewha universities. Many observers regard students as the “national conscience” of South Korea, especially given their important role in democratic reform movements since 1960. The literacy rate is 98 percent.

Health: Although life expectancy has increased significantly since 1950, South Korea faces a number of important health-care issues. Foremost is the impact of environmental pollution and poor sanitation on an increasingly urbanized population. According to the Ministry of Health and Welfare, chronic diseases account for the majority of diseases in South Korea, a condition exacerbated by the health care system’s focus on treatment rather than prevention. The incidence of chronic disease in South Korea hovers around 24 percent. Approximately 33 percent of all adults smoke. The human immunodeficiency virus (HIV) rate of prevalence at the end of 2003 was less than 0.1 percent. In 2001 central government expenditures on health care accounted for about 6 percent of gross domestic product (GDP).

Welfare: Responsibility for maintaining and promoting national welfare and health programs falls to the Ministry of Health and Welfare. The present social welfare system administers the National Health Insurance System (NHIS), the National Pension Scheme, and a variety of other social welfare services such as programs for the disabled, the elderly, women, and children. Industrial injury compensation programs were begun in the early 1960s, and by 2000 they, along with unemployment insurance, were available to all workers according to government sources. Health insurance programs have steadily increased in availability; in 2003, 30.7 million adult South Koreans were enrolled in the NHIS, as were 15.4 million dependents. A minimum wage, which is adjusted annually, was established in 1998, and in 2003 legislation authorized a five-day workweek. The incidence of work-related deaths and injuries in South Korea remains high by international standards.

ECONOMY

Overview: The South Korean market economy underwent a profound transformation in the last half of the twentieth century, one perhaps unmatched by any nation during that time. It emerged from the Korean War devastated and remained a poor nation well into the 1960s, when an unprecedented period of growth, modernization, and industrialization transformed the economic and physical landscape of South Korea. In a mere four decades, per capita income in South Korea grew 100-fold. At the same time, the country’s cities, where economic opportunities abounded, grew at an unprecedented rate. Once an isolated nation of farmers, South Korea is now a nation with the highest rate of Internet access, a leader in semiconductor production, and a global innovator in consumer electronics.

This growth also has its downside. The Asian financial crisis of the late 1990s exposed a variety of structural weaknesses in the South Korean economy. Foreign reserves were insufficient, foreign borrowing was extensive (and by the end of 1996, 58 percent of external debt was short-term), and corporate debt/equity ratios were extremely high. The surge in debt, a result in part of government policies that failed to rein in a corporate culture that favored expansion over profits, became a significant vulnerability. Several major bankruptcies spurred banks to tighten their

lending policies and the subsequent capital shortage further aggravated an already weakened private sector. More bankruptcies followed. Add to these factors the perception that the Ministry of Finance and the Economy was bungling matters, and a crisis of confidence led foreign investors to pull out of South Korea, exacerbating the foreign reserves shortage. By the end of 1997, South Korea was in the midst of a full-fledged foreign exchange crisis, and in order to prevent a total economic collapse, it was forced to secure an emergency loan from the International Monetary Fund (IMF).

South Korea's recovery from the crisis, at least in terms of gross domestic product (GDP) growth, was remarkable and to an extent helped hide still present, difficult microeconomic conditions. GDP, which shrank by 6.7 percent in 1998, grew by 10.9 percent in 1999. In August 2000, the IMF "graduated" South Korea from its restructuring program. The years 2001 through 2004 saw gradually declining GDP growth figures.

Gross Domestic Product (GDP)/Gross National Income (GNI): The GDP growth rate in 2004 was 5.8 percent, and it is expected to slow to 4.9 percent in 2005. According to estimates, in 2003 the services sector contributed 62.2 percent of GDP, the industrial sector 34.6 percent, and the agriculture sector 3.2 percent. GDP in 2003 was US\$605.3 billion. According to the South Korean government, gross national income (formerly called gross national product) per capita in 2003 was US\$12,600, up from US\$11,500 in 2002 and US\$9,400 in 1999.

Government Budget: In 2003 the government had revenues of US\$135.5 billion and expenditures of US\$128.7 billion, including capital expenditures of US\$23.5 billion. In 2004 a modest budget surplus of 0.3 percent of gross domestic product (GDP) was expected. This would make the fifth consecutive year of surplus and highlight the health of the South Korean government's finances.

Inflation: Weak domestic demand and the appreciation of the won (South Korea's currency) kept inflation in 2004 at 3.6 percent. This trend of moderate and stable inflationary pressure will likely continue in 2005, when inflation is expected to decline to 2.5 percent.

Agriculture: The agricultural sector's share of gross domestic product (GDP) in South Korea continues to decline, accounting for only 3.2 percent of GDP in 2003. Agriculture employs 8–12 percent of the labor force. Price instability, particularly associated with cheap imports, is an increasing source of internal and external political friction. The primary crop in South Korea is rice; 80 percent of farms cultivate it, and domestic production sufficient to supply the nation remains a political priority. Other major crops include barley, wheat, soybeans, and potatoes, although production has steadily declined. South Korean demand for these products is satisfied through imports. Livestock production has increased with consumer demand and prosperity and is the second largest subsector of the agricultural economy behind rice. Fruit and vegetable production continue to supply domestic needs.

Forestry: South Korea's once-rich forests were ravaged in the twentieth century by unmanaged logging for timber and fuel during the Japanese occupation (1910–45) and by the Korean War (1950–53). Reforestation policies put in place since the Korean War have had a salutary effect,

but the process takes time. Today 70 percent of South Korea's forests are less than 30 years old and are therefore largely unproductive. Timber imports far outnumber exports.

Fishing: The depletion of fishery resources along coastal areas spurred the passage of the Fishery Act of 1997, which established federal oversight of offshore and deep-sea fishing. It also established limits on catches for eight species. In 2000 there were 95,890 fishing vessels, and total fisheries production reached US\$3.6 billion, a slight decline from the previous year. The number of workers in the industry has declined since 1982. In 2000 some 82,000 households were involved in marine fishing, a drop of nearly 17 percent from the preceding year. Fish processing employs some 140,000 workers, 45.5 percent of whom are women.

Mining and Minerals: South Korea possesses few mineral resources. There are small deposits of anthracite coal, uranium, tungsten, iron ore, limestone, kaolinite, and graphite.

Industry and Manufacturing: Industry contributes nearly 35 percent of gross domestic product (GDP) and employs 19–20 percent of the labor force. Important subsectors of South Korea's industrial and manufacturing base include computers and computer peripherals, telecommunications equipment, consumer electronics, automobiles, shipbuilding, semiconductors, petrochemicals, and steel production. While the industrial production growth rate in the year 2000 and 2003 hovered between 5 and 6 percent, it appears that in 2004 it moved upward significantly and now approaches 13 percent for the year.

Energy: Korea has modest internal energy resources: small deposits of anthracite coal and uranium, and hydropower. Yet South Korea is ranked twenty-fifth in the world in electricity consumption per capita, and nineteenth in the world in the broader field of energy consumption per capita. Globally, South Korea is the seventh largest oil consumer in the world, and the fifth largest net oil importer. In 2001 South Korea consumed 2.1 million barrels of oil a day, and petroleum accounted for 55 percent of the nation's primary energy consumption. Coal, most of it imported, accounts for 21 percent of South Korea's total energy requirements. Domestic energy production in 2001 totaled only 5.2 million tons of oil equivalent (TOE), or 2.7 percent out of a total primary energy supply of 198.4 million TOE. Electricity demand, which is met through a combination of thermal, nuclear, and hydroelectric capacity, is expected to rise at an annual rate of 4 percent per year through 2015. South Korea is a signatory of the Kyoto Protocol of the United Nations Framework on Climate Change as a "non-Annex I state." As part of the broader effort to reduce carbon emissions the Kyoto Protocol calls for, 12 new nuclear plants are planned to go online in South Korea before 2015.

Services: The services sector accounts for about 62 percent of South Korea's gross domestic product (GDP) and employs 68–72 percent of the labor force. Major sources of growth are financial services, tourism, and retail sales.

Banking and Finance: In the wake of the 1997 financial crisis, and in concert with restructuring called for by the International Monetary Fund, South Korea embarked on a variety of banking and finance reforms. There is, however, some debate whether these have been implemented to the fullest extent. Foremost among the reforms was the acquisition of sufficient foreign reserves, the reform of the corporate and financial sectors, and a variety of structural adjustments.

Monetary policy was tightened, with interest rates reaching a high of 20 percent; the public sector was trimmed, with the government budget held to a 3.8 percent rate of growth; minimum standards were established for banks, and those that failed to meet them were closed; investigations were launched into the management of non-bank financial institutions; the Nonperforming Asset Resolution Fund was established to purchase US\$12.3 billion in bad loans; and the Financial Supervisory Commission was established. In the corporate sector, stricter auditing and bookkeeping guidelines were established, the rights of minority shareholders were bolstered, and corporate cross-payment guarantees were banned. Commercial banking is essentially nationalized, and privatization of state-owned banks only began in the late 1990s.

The implementation of these reforms under President Kim Dae-jung is widely credited for South Korea's relatively quick recovery from the Asian financial crisis. Today the benchmark overnight rate in South Korea is 3.5 percent. South Korean banks are making an effort to implement the Basel II framework of the Bank for International Settlements. Foreign reserves, which at one point during the crisis fell to US\$8.9 billion, now exceed liabilities at US\$174.5 billion, making South Korea the fourth largest holder of foreign reserves in the world.

Tourism: Tourism has grown steadily since 1970, when approximately 170,000 people visited South Korea. In 2002, the most recent year for which figures are available, some 5.3 million visitors traveled to the country, without doubt drawn in part by the Fédération Internationale de Football Association (FIFA) World Cup that South Korea co-hosted with Japan. It was first time the event was hosted in Asia, and an accumulated global television audience of 42 billion watched the games, providing major exposure for the nation. Short-term foreign visitors to South Korea are permitted to enter with no visa according to the principles of reciprocity or priority of national interest. In 2002 visitors from Japan accounted for 43 percent of all tourists to South Korea. In 2001 visitors from China were the second largest group, reflecting the growing closeness of relations between the two nations.

Labor: The labor force in South Korea in 2004 totaled 22.8 million. Although there is some slight variation in statistics, the majority of South Koreans are employed in the services sector (between 68 and 72.1 percent), while a much smaller number work in industry (between 19 and 20 percent), and only 8.8 to 12 percent are employed in agriculture. Unemployment in 2003 was recorded at 3.4 percent. The minimum wage (which is reviewed annually) in 2003 was US\$2.09 per hour, US\$16.73 per day, or US\$472.17 per month; companies with fewer than 10 employees are exempted from minimum wage regulations. The Ministry of Health and Welfare estimates that some 1.4 million persons (or 2.9 percent of the population) live below the poverty level, and another 3.2 million persons are classified as living in "potential extreme poverty." Collective bargaining is practiced extensively, even among unions that are not recognized by the government. According to the Ministry of Labor, there were 6,506 unions in 2003, representing 1.6 million workers, or 11.6 percent of all employed workers. The government has come under criticism for failing to recognize new trade unions in the public sector, and for arresting and imprisoning trade unionists who engage in strikes under the charge of "obstruction of business." In 2003 there were 319 strikes and 49 lockouts involving some 137,000 workers and resulting in the loss of some 1.3 million workdays. The majority of unions in South Korea are enterprise-based. Nonetheless, there are 44 industrial trade unions in two national federations: the Federation of Korean Trade Unions and the Korean Confederation of Trade Unions. About 50

percent of South Korean women are economically active, and the 1999 Equal Employment Act was amended to prohibit sexual discrimination in the private sector.

Foreign Economic Relations: South Korea joined the World Trade Organization in 1995 and the Organisation for Economic Co-operation and Development in 1996. Trade, and by extension all foreign economic relations, are a key element of South Korean politics and foreign relations in general. Merchandise exports in the early 1970s were valued at only 10 percent of gross domestic product (GDP); by 2001, they were equal to 37.7 percent of GDP. South Korea's main economic partners are China, the European Union, Japan, Saudi Arabia, and the United States. Free-trade negotiations with Japan are expected to conclude with an agreement by the end of 2005.

Imports: Imports in 2003 were valued at US\$178.8 billion. Major imports include crude oil, food, machinery and transport equipment, chemicals, and base metals and articles thereof. In 2003 goods from Japan accounted for 20.1 percent of all imports, followed by goods from the United States (13.9 percent), China (12.3 percent), the European Union (10.6 percent), and Saudi Arabia (5.1 percent).

Exports: Exports in 2003 were valued at US\$193.8 billion. Major exports include semiconductors, wireless telecommunications equipment, motor vehicles, computers, steel, ships, petrochemicals, and textiles. The major market for South Korean exports is China (including Hong Kong), which accounted for 20.7 percent of all exports in 2003. The other important markets for South Korean goods were the United States (20.2 percent), European Union (12.8 percent), and Japan 9.3 percent.

Trade Balance: In 2002 South Korea had a trade surplus of US\$14.2 billion, an increase of 5.9 percent over the previous year. In 2003 that surplus grew to US\$15 billion.

Balance of Payments: In 2003 South Korea had a current account balance of US\$12.3 billion. From 1998 to 2002, the current account balance as a percentage of gross domestic product (GDP) averaged 4.9 percent.

External Debt: In 2003 external debt was estimated at US\$130.3 billion.

Foreign Investment: Foreign investment in 2001 accounted for 10 percent of gross domestic product (GDP), and in 2002 it totaled US\$84.6 billion. The United States is the largest foreign investor in South Korea, accounting for nearly 50 percent of the total in 2002. Japan, the Netherlands, Germany, Hong Kong, the United Kingdom, and France round out the top seven, respectively. American investments are heavily concentrated in services, while Japanese investors focus largely on manufacturing. Concerns about corruption, political stability, and unfavorable trade practices continue to limit the scope and extent of foreign investment.

Foreign Aid: South Korea, as a member of the Organisation for Economic Co-operation and Development, has an annual budget for Official Development Assistance. In 2002 that amount was US\$278.8 million, up from US\$265 million the previous year.

Currency and Exchange Rate: The unit of currency in South Korea is the won (KRW). As of January 2005, the exchange rate was US\$1=1,051won.

Fiscal Year: Calendar year.

TRANSPORTATION AND TELECOMMUNICATIONS

Transportation System Overview: Although South Korea has a fairly extensive network of highways and efficient subways in both Seoul and Pusan, most observers believe the transportation system is currently operating well above capacity. Vehicular traffic, particularly in urban areas, is notoriously bad. Expansions of both the highway and subway systems are underway. Train and bus service is widely available both in urban and rural areas.

Roads: In 2002, the most recent year for which government figures are available, South Korea had 96,037 kilometers of roadway, 76.7 percent of which was paved. There were 2,778 kilometers of paved expressways. Expansion of the expressway system throughout the nation is underway. In 2001 expressways were renumbered in a fashion similar to the interstate highway system in the United States. North-south routes have odd numbers, and east-west routes have even numbers. South Korea's first expressway, the Gyeongbu Expressway, is Route 1. Route numbers 70–99 are reserved in the event of Korean unification.

Railroads: In 2004 the state-run Korean National Railroad (KNR) had 3,388 kilometers of 1.435-meter gauge rail (2,113 kilometers of single track and 1,274 kilometers of double track), of which 661 kilometers were electrified. Established in 1963, and under the jurisdiction of the Ministry of Construction and Transportation (MOCT), the KNR in 2004 operated 20,000 trains in South Korea, including diesel and electric locomotives and railcars, passenger coaches, and freight cars. South Korean rail density (length/area) is only one-half of Japan's and a quarter of Germany's. About 20 percent of locomotives and freight cars exceed the normal service life of 20 years, and outdated facilities and signal systems need updating. In response, the MOCT established a National Inter-Modal Transportation Plan, whose ambitious goals include increasing the rail lines to nearly 5,000 kilometers by 2019.

Ports: The major ports are Chinhae, Inch'ŏn, Kŭnsan, Masan, Mokp'o, P'ohang, Pusan, Tonghae-hang, Ulsan, and Yŏsu. Various steamship lines provide passenger service to Korea.

Inland Waterways: There are 1,068 kilometers of inland waterways restricted to small craft.

Civil Aviation and Airports: Korea has eight international airports: Inch'ŏn International Airport in Inch'ŏn serves Seoul and began operations in 2001 (replacing Seoul's Kimp'o), plus Kimhae, Cheju, Ch'ŏngju, Kimp'o, Yangyang, Taegu, and Kwangju international airports. Kimp'o, Kimhae, and Cheju operate direct flights to and from Tokyo, Fukuoka, Nagoya, and Osaka in Japan. South Korea is connected by air to every major capital in the world, either through direct flights or by connecting flights from major international airports in East Asia. About 37 international airlines maintain regular flight services, with more than 1,500 flights into and out of Korea every week. There are 206 heliports.

Pipelines: In 2004 South Korea had 1,433 kilometers of gas and 827 kilometers of refined products pipelines. Plans are underway to build a pipeline that would supply South Korea and China with natural gas from the region of Eastern Siberia.

Telecommunications: South Korea had 22.8 million landline telephones and 33,591,800 cellular phones in use in 2003. According to 2002 estimates, the country had 42 million radios. South Korea leads all nations in broadband access and in 2003 had 29.2 million Internet users and 11 Internet service providers. In the late 1990s, there were some 121 television broadcast stations and 55.9 million television sets.

GOVERNMENT AND POLITICS

Government Overview: South Korea is a republic governed by a directly elected president and a unicameral legislature, the National Assembly. While today South Korea is known as a democracy, for many decades following the Korean War it was ruled by a succession of leaders who assumed office under less than democratic circumstances. Fair elections in 1952 were followed by corrupt ones later that decade. A succession of military leaders assumed power in South Korea starting in 1961 with a coup led by army officers. Growing frustration with repressive rule among South Koreans led to demonstrations in May 1980 in the city of Kwangju. These demonstrations were violently suppressed, killing hundreds of civilians. Whereas the South Korean economy flourished, democratic institutions and a free press often did not. In spite of political violence in the form of brutal crackdowns against civilian protests and the assassination of government leaders, a civil society emerged to lead the South Korean democracy movement. In 1987, after years regular protests, the military leaders of South Korea were forced to hold free and democratic elections. Their handpicked successor, Roh Tae-woo, won, as opposition parties failed to unite around a single candidate and split the vote. In 1992 Kim Young-sam was elected, followed in 1997 by longtime opposition leader Kim Dae-jung. In 2002 South Koreans elected the human rights lawyer and relative political newcomer Roh Moo-hyun president.

Constitution: The current constitution was adopted on July 17, 1948. It was last revised in 1987.

Executive Branch: The president is the head of state and commander in chief of the armed forces. The prime minister is appointed by the president and approved by the National Assembly. The president appoints the heads of the 17 ministries that direct public policy and affairs of state. The main advisory agencies to the presidency are the National Security Council, the Advisory Council on Democratic and Peaceful Reunification, the Presidential Council on Science and Technology, the Presidential Commission on Small and Medium Business, the Civil Service Commission, the Korean Independent Commission Against Corruption, and the Truth Commission on Suspicious Deaths. The president also directs the National Intelligence Service and the Board of Audit and Inspection. The current president is Roh Moo-hyun, who was elected in 2002 (and took office in February 2003). The current prime minister is Lee Hae-chan, who assumed office in 2004.

Legislative Branch: The unicameral National Assembly is the legislative body of the South Korean government. It has 273 members elected to four-year terms and meets in regular 100-day sessions from September to December every year. The president can request that the assembly meet in a special session of up to 30 days. The constitution charges the assembly with responsibility for making the nation's laws, as well as approving the national budget, declaring war, and impeachment, among others. The assembly elects a speaker and two vice speakers, who serve two-year terms. The current speaker is Kim Won-ki.

Judicial Branch: The judicial branch is composed of the Supreme Court, appellate courts, and the Constitutional Court. It is an independent branch and is increasingly willing to exercise that independence: in 2004 the Supreme Court handed down a controversial ruling quashing President Roh's plan to relocate the national capital from Seoul to a new city in South Ch'ungche'ong Province.

Administrative Divisions: South Korea has nine provinces (*do*): Kangwon, Kyōnggi, North Ch'ungch'ōng, South Ch'ungch'ōng, North Cholla, South Cholla, North Kyōngsang, South Kyōngsang, and Cheju. There are also seven separately administered metropolitan cities: Seoul, Pusan, Taegu, Inch'ōn, Kwangju, Taejōn, and Ulsan.

Provincial and Local Government: South Korea has a long and established tradition of strong central governance, dating back to the early years of the Chosōn Dynasty (1392– 1910). Although Article 117 of the constitution established provisions for local government at the provincial and municipal level, the elections held in 1995 for governors and mayors were the first in more than 30 years. A second round of local elections was held in 1998, with subsequent elections scheduled every four years. Provincial and local government is divided into 16 provincial-level governments and 235 municipal governments, including 72 *si* (city) governments, 94 *gun* (county) governments, and 69 *gu* (autonomous district) governments. Provincial and local governments may be elected independently of the central government, but their primary purpose is to implement policies and programs created and directed by central government ministries. The central government also provides much of the funding for provisional and local governments.

Judicial and Legal System: The South Korean legal system contains elements of Anglo-American law, continental European civil law, and Chinese classical thought. The president appoints the chief justice and most justices of the Constitutional Court. Although judges do not receive lifetime appointments, they cannot be fired for political reasons. Local courts are presided over by judges who also render verdicts, as there are no trials by jury. Both defendants and prosecutors can appeal first to the district appellate court and then to the Supreme Court. Constitutional challenges are made to the Constitutional Court. Constitutional provisions that call for the presumption of innocence, protection against self-incrimination, freedom from double jeopardy, the right to speedy trial, and the right of appeal generally are observed.

Electoral System: Suffrage is universal, and the voting age is 20. The president is elected by direct popular vote and serves one five-year term. The 273 members of the National Assembly are directly elected to four-year terms. The most recent presidential election was held in

December 2002; the next is scheduled for 2007. The most recent National Assembly election was held on April 15, 2004; the next is scheduled for 2008.

Political Parties: South Korea is a multiparty state. In the most recent round of general elections to the National Assembly in 2004, the majority party was the Uri Party (the party of President Roh Moo-hyun) with 152 seats, followed by the Grand National Party with 121 seats, the Democratic Labor Party with 10 seats, and the Millennium Democratic Party (the party of Roh's predecessor, Kim Dae-jung) with a mere 9 seats. Other parties include the United Liberal Democrats and the Democratic People's Party.

Mass Media: Movable metal type was invented in Korea in the thirteenth century, yet a free and unrestricted press only began to emerge in the 1990s. In the twentieth century, the successive governments of the colonial Japanese authorities, the U.S. military authorities, and the Republic of Korea all restricted freedom of the press. Today, after decades of state control and heavy censorship, the press (in print, on television, and online) is experiencing a period of relative freedom. The repressive Basic Press Law was repealed in 1987, and since 1990 the television market has expanded significantly. Whereas in 1980 there were only 28 national newspapers, today there are 122. In 2002 satellite broadcasting brought multi-channel commercial television to homes across South Korea. According to most outside observers, political discourse is unrestricted in South Korea; however, persistent concerns are worth noting. The National Security Law allows the government to limit the expression of ideas deemed pro-North Korean or communist; broad interpretations of this statute place a chill on peaceful dissent. In addition, in 2003 President Roh brought a libel suit against four of the major national newspapers, and the government has stated that editorials are subject to legal action if they are found to contain falsehoods. Outside observers have criticized pressure tactics used by both the South Korean government and the business community to influence reporting. Major newspapers include *Chosun Ilbo* (Seoul), *Dong-A Ilbo* (Seoul), *JoongAng Ilbo* (Seoul), and *Hankook Ilbo* (Seoul). The five nationwide television networks are KBS-1 and KBS-2 (public broadcast), MBC (run as a public organization), EBS (state-funded), and SBS (a commercial broadcaster). Some 70 percent of South Korean households have broadband Internet access, and the online media marketplace is growing rapidly. Popular news websites (such as *OhMyNews.com*) register as many as 15 million visits per day.

Foreign Relations: In addition to its extensive network of trading partners, South Korea has diplomatic relations with more than 170 nations. Since the 1980s, relations with China have played an increasingly important role in South Korean politics and economics, particularly in relation to North Korea. South Korea maintains close military, economic, and diplomatic relations with the United States, although at times those relations are strained by domestic opposition to the U.S. military presence on the peninsula. In spite of long-standing animosity to Japan during the 36-year occupation of the Korean Peninsula, economic and diplomatic relations between the two nations are increasingly close.

Inter-Korean Relations: The political importance of relations between North and South Korea, and the impact of the division of the Korean peninsula on the national consciousness, is difficult to overstate. A great many Koreans, both North and South, wish for reunification. Yet there are widespread concerns that reunification could have a significant, negative economic and social

impact on the South, as it would have to absorb underskilled North Korean workers and upgrade the North's outdated infrastructure. The desire for unification among many South Koreans is thus balanced by concerns about any sudden collapse of the North Korean state. In 1991 North and South Korea signed an agreement pledging to resolve national disagreements through dialogue and to keep the Korean Peninsula free of nuclear weapons. Implementation has been stalled by political disagreements and proliferation issues. In 1997 Kim Dae-jung was elected president of South Korea and instituted a "Sunshine Policy" toward North Korea, which sought to increase contacts between the two nations. In 2000 Kim Il Jong and Kim Dae-jung met, the first such meeting ever between leaders of the two nations. Since 2003, South Korean president Roh Moo-hyun has pushed a policy of *pukpang chongch'aek*, or Nordpolitik, in an effort to stabilize relations with North Korea and lay the groundwork for eventual reunification.

Membership in International Organizations: South Korea is a member of numerous international organizations, including the African Development Bank, Asia-Pacific Economic Cooperation, Asian Development Bank, Association of Southeast Asian Nations, Australia Group, Bank for International Settlements, Colombo Plan, European Bank for Reconstruction and Development, Food and Agriculture Organization of the United Nations, International Atomic Energy Agency, International Bank for Reconstruction and Development (World Bank), International Chamber of Commerce, International Civil Aviation Organization, International Confederation of Free Trade Unions, International Criminal Court, International Criminal Police Organization (Interpol), International Development Association, International Energy Agency, International Federation of Red Cross and Red Crescent Societies, International Finance Corporation, International Fund for Agricultural Development, International Hydrographic Organization, International Labour Organization, International Maritime Organization, International Monetary Fund, International Olympic Committee, International Organization for Migration, International Organization for Standardization, International Red Cross and Red Crescent Movement, International Telecommunication Union, Nonaligned Movement (guest), Nuclear Energy Agency, Nuclear Suppliers Group, Organisation for Economic Co-operation and Development, Organization for Security and Cooperation in Europe (partner), Organization for the Prohibition of Chemical Weapons, Organization of American States (observer), Permanent Court of Arbitration, United Nations, Universal Postal Union, World Confederation of Labor, World Customs Organization, World Health Organization, World Intellectual Property Organization, World Meteorological Organization, World Tourism Organization, World Trade Organization, and Zangger Committee.

Major International Treaties: The 1954 Mutual Defense Treaty with the United States is perhaps the most important of the treaties to which South Korea is a party. In addition, South Korea is a state party to the Treaty on the Non-Proliferation of Nuclear Weapons, the Comprehensive Nuclear Test Ban Treaty, the Joint Spent Fuel Management Convention, the Chemical Weapons Convention, the Biological and Toxin Weapons Convention, and the Geneva Protocol. It is also a state party to the following antiterrorism conventions: Marking of Plastic Explosives for the Purpose of Detection, Against the Taking of Hostages, Offences and Certain Other Acts Committed Onboard Aircraft, Suppression of Unlawful Seizure of Aircraft, Suppression of Unlawful Acts Against the Safety of Civil Aviation, Protocol on the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, and Prevention and Punishment of Crimes Against Internationally Protected Persons, including Diplomatic

Agents. It is a signatory to the antiterrorist conventions on Suppression of the Financing of Terrorism and Suppression of Terrorist Bombings. South Korea is also a party to a number of environmental agreements: Antarctic-Environmental Protocol, Antarctic-Marine Living Resources, Antarctic Treaty, Biodiversity, Climate Change, Climate Change-Kyoto Protocol, Desertification, Endangered Species, Environmental Modification, Hazardous Wastes, Law of the Sea, Marine Dumping, Ozone Layer Protection, Ship Pollution, Tropical Timber 83, Tropical Timber 94, Wetlands, and Whaling.

NATIONAL SECURITY

Armed Forces Overview: The main branches of the South Korean military are the army, navy, air force, and National Maritime Police (Coast Guard). There are 687,000 troops serving on active duty, of whom approximately 159,000 are conscripts. Another 4.5 million are in the reserves. The army has 560,000 personnel, the air force 64,700, the navy 63,000, and the maritime police 4,500. A civilian defense corps numbers 3.5 million.

Foreign Military Relations: South Korea's major military relationship is with the United States, which maintains approximately 35,000 troops in South Korea. Additional U.S. forces are available in nearby Japan, the Seventh Fleet, and U.S. island bases in the Pacific. Since the Korean War (1950–51), the United States has assumed significant responsibility for assuring South Korea's security. Since 1978, the Republic of Korea/United States Combined Forces Command (CFC) has assumed primary responsibility for defending South Korea from outside attack. The CFC has operational control over more than 600,000 South Korean and U.S. troops and directs joint training exercises. It is under the command of a four-star U.S. general, with a four-star ROK army general as deputy commander.

External Threat: The South Korean government continues to regard North Korea as the major threat to peninsular stability. In 1998 North Korea launched a missile over the Sea of Japan (or East Sea), an act that raised serious concerns in South Korea and Japan. The difficulty of predicting the actions of the North Korean leadership, the lack of reliable information from North Korea, and shifts in U.S. policy regarding the North remain stumbling blocks to reducing tensions on the peninsula.

Defense Budget: In 2004 South Korea's defense budget was US\$16.4 billion, which represents approximately 3 percent of gross domestic product (GDP) and 16 percent of the total budget (roughly in line with the previous two years). Defense spending for 2004 is up from US\$14.6 billion in 2003, US\$13.2 billion in 2002, US\$11.8 billion in 2001, US\$12.8 billion in 2000, and US\$11.6 billion in 1999.

Major Military Units: The army has 3 mechanized infantry divisions, 19 infantry divisions, 2 independent infantry brigades, 7 special forces brigades, 3 counter-infiltration brigades, 3 surface-to-surface missile battalions, 3 airborne artillery brigades, 5 surface-to-air missile battalions, and 1 aviation command with 1 air assault brigade. The reserves have 1 army headquarters with 23 infantry divisions. The navy has three commands: Tonghae (Sea of Japan), P'yŏngt'aek (Yellow Sea), and Chinhae (Korea Strait) and bases in Chinhae (Headquarters),

Cheju, Mokp'o, Mukho, P'ohang, Pusan, P'yŏngt'aek, and Tonghae. The marines (part of the navy) have two divisions. The air force has four commands, a tactical airlift wing, and composite wing.

Major Military Equipment: The army has 1,000 main battle tanks, 40 armored infantry fighting vehicles, 2,480 armored personnel carriers, approximately 4,500 towed and self-propelled artillery pieces, 185 multiple rocket launchers, 6,000 mortars, 58 antitank guns, 600 air defense guns, 2 surface-to-surface missiles, 1,090 surface-to-air missiles, 117 attack helicopters, 18 transport helicopters, and 283 utility helicopters. The navy has 20 diesel submarines, 6 destroyers, 9 frigates, 28 corvettes, 5 missile craft, 15 mine warfare vessels, 12 amphibious vessels, 75 inshore patrol boats, 16 combat aircraft, and 43 armed helicopters. The marines (part of the navy) have 60 main battle tanks and 60 assault amphibian vehicles. The air force has a total of 538 combat aircraft with 153 F-16C/D, 185 F-5E/F, 130 F-4D/E, 22 combat-capable trainers, 20 forward air control aircraft, 27 reconnaissance aircraft, 25 helicopters, 34 tactical airlift aircraft, 203 training aircraft, and 103 unmanned aerial vehicles. The air force has no armed helicopters.

Military Service: Military service is mandatory for all South Korean males, with conscription at 18 years of age. The term of service in the army is 26 months and 30 in the navy and air force. The presence of women in the South Korean military since the end of the Korean War has been limited, both by constitutional and cultural restraints. In the early 1990s, the separate Women's Army Corps was abolished, and women were integrated into the various branches of the armed forces. The South Korean armed forces plan to recruit women to a level of 5 percent of the total officers and noncommissioned officers (NCOs) in the three services by 2020.

Paramilitary Forces: South Korea has a National Maritime Police (Coast Guard) force of approximately 4,500 on active duty. Another 3.5 million South Korean reserves form the civilian defense corps.

Foreign Military Forces: Approximately 35,000 U.S. troops are stationed in South Korea.

Foreign Military Forces Abroad: In August 2004, the 2,800-strong Korea Zaytun Division for Peace and Reconstruction in Iraq arrived in Irbil, in northern Iraq. There are also 205 South Korean troops participating in Operation Enduring Freedom in Kyrgyzstan. South Korean troops also have taken part in United Nations (UN) Peacekeeping missions in Afghanistan (UNAMA), East Timor (UNMISSET), Georgia (UNOMIG), India/Pakistan (UNMOGIP), Liberia (UNMIL), and Western Sahara (MINURSO).

Police: The National Korean Police Force is composed of the Headquarters of the National Police Agency, the Central Police Organization, 14 provincial police agencies, 231 police stations, 2,930 branch offices, and other affiliated institutes, including the National Police College, Police Comprehensive Academy, Central Police Training School, Driver's Licensing Agency, and National Police Hospital. In 2003 the National Police Force had 92,165 employees. The police commissioner serves under the Ministry of Government Administration and Home Affairs.

Internal Threat: The National Security Law continues to define as a threat to domestic security acts such as listening to North Korean radio broadcasts or reading books published in North Korea, suggesting that North Korean interference and propaganda efforts in South Korean affairs are still regarded as a major internal threat.

Terrorism: Historically, some of the worst acts of terrorism in South Korea have been the work of North Korea and the military dictatorships that ruled South Korea for large portions of the post-Korean War era. In 1987 North Korea was accused of being behind the bombing of Korean Airlines Flight 858.

Human Rights: The South Korean government generally respects the human rights of its citizens. However, it bears noting that physical and verbal abuse of detainees continues among police and prison personnel. Human rights organizations also have argued that the National Security Law (NSL) continues to be used to curtail freedom of speech and of the press, peaceful assembly and association, and free travel. Currently, some 800 conscientious objectors convicted under the NSL, mostly Jehovah's Witnesses, remain imprisoned. Many public-sector employees do not enjoy the right of association, and efforts to organize unions have met with harassment and arrest. There remains a high incidence of domestic violence. Sexual harassment and disparities in pay between men and women exist. Rape and child abuse also continue to be serious problems. The Republic of Korea is still a significant country of origin, transit, and destination for trafficking in persons, particularly women and children for the sex trade and domestic servitude. Although illegal, prostitution remains widespread. No executions have been carried out in South Korea since 1998; a bill was introduced in 2001 to abolish the death penalty, but despite fairly widespread and bipartisan support in the legislature, it stalled in deliberations. At the end of 2003, there were 1,670 refugees and asylum seekers in South Korea, most North Korean.